SENATE RECORD VOTE ANALYSIS

106th Congress — March 25, 1999, 10:00 p.m.
1st Session — **Vote No. 81** — Page S-3432 Temp. Record

BUDGET RESOLUTION/Final Passage

SUBJECT: **House Concurrent Budget Resolution for fiscal years 2000-2009 . . . H.Con. Res. 68. Final passage, as amended.**

ACTION: BILL PASSED, 55-44

SYNOPSIS: As passed, H.Con. Res. 68, the House Concurrent Budget Resolution for fiscal years 2000-2009: will cut the debt held by the public (money that the Federal Government owes to creditors other than itself) in half over 10 years; will fully fund Medicare (all of the President's proposed $9 billion in Medicare cuts were rejected; as a result, this budget will allow $20.4 billion more in Medicare spending over the next 10 years); will save the entire $1.8 trillion in Social Security surpluses over the next 10 years for Social Security; will provide for $765.9 billion in net tax relief over the next 10 years (in contrast, the President's budget would increase the tax burden by $96 billlion net over 10 years), and will adhere to the spending restraints (discretionary spending caps and pay-go provisions) of the bipartisan budget agreement as enacted in the Balanced Budget Act of 1997 and the Taxpayer Reform Act of 1997 (the President's proposed budget, in contrast, would dramatically increase spending in violation of that bipartisan agreement, and would result in $2.2 trillion more in total Federal debt at the end of 10 years than proposed in this Senate budget). After tax relief is provided, the on-budget surplus over 10 years will still be $101 billion; that money will be available for additional debt reduction or to pay for high priority items, such as the costs of a Medicare reform bill or the costs of emergency spending.

Debt held by the public. $2.7 trillion more will be collected in taxes over the next 10 years than is needed for current spending plans. $1.8 trillion of that amount will be from Social Security surpluses. A major premise of this resolution is that those surpluses will be protected by creating a lockbox that will use the funds only for Social Security reforms or to reduce the debt held by the public. For most of the past 30 years the Federal Government has spent more money than it has collected in all taxes, including payroll taxes. To spend that extra money it has borrowed money by selling Treasury notes. That borrowed money is called debt held by the public. Currently, the Federal Government owes $3.628 billion in such debt. Any person, corporation, or government may

(See other side)

YEAS (55)			NAYS (44)			NOT VOTING (1)	
Republicans (54 or 100%)		**Democrats (1 or 2%)**	**Republicans (0 or 0%)**	**Democrats (44 or 98%)**		**Republicans (1)**	**Democrats (0)**
Abraham	Helms	Breaux		Akaka	Kennedy	McCain-2	
Allard	Hutchinson			Baucus	Kerrey		
Ashcroft	Hutchison			Bayh	Kerry		
Bennett	Inhofe			Biden	Kohl		
Bond	Jeffords			Bingaman	Landrieu		
Brownback	Kyl			Boxer	Lautenberg		
Bunning	Lott			Bryan	Leahy		
Burns	Lugar			Byrd	Levin		
Campbell	Mack			Cleland	Lieberman		
Chafee	McConnell			Conrad	Lincoln		
Cochran	Murkowski			Daschle	Mikulski		
Collins	Nickles			Dodd	Moynihan		
Coverdell	Roberts			Dorgan	Murray		
Craig	Roth			Durbin	Reed		
Crapo	Santorum			Edwards	Reid		
DeWine	Sessions			Feingold	Robb		
Domenici	Shelby			Feinstein	Rockefeller		
Enzi	Smith, Bob			Graham	Sarbanes		
Fitzgerald	Smith, Gordon			Harkin	Schumer		
Frist	Snowe			Hollings	Torricelli		
Gorton	Specter			Inouye	Wellstone		
Gramm	Stevens			Johnson	Wyden		
Grams	Thomas						
Grassley	Thompson						
Gregg	Thurmond						
Hagel	Voinovich						
Hatch	Warner						

EXPLANATION OF ABSENCE:
1—Official Business
2—Necessarily Absent
3—Illness
4—Other

SYMBOLS:
AY—Announced Yea
AN—Announced Nay
PY—Paired Yea
PN—Paired Nay

Compiled and written by the staff of the Republican Policy Committee—Larry E. Craig, Chairman

purchase Treasury notes. Total Federal debt, called the public debt, also includes money that the Federal Government owes to itself. Most of that debt is due to the operation of trust funds. When the Federal Government imposes a tax or fee for a particular purpose, and does not spend all of the money raised in a year on that particular purpose, it buys Treasury notes with the surplus and puts the notes into a "trust fund." The money goes to the Treasury general fund. Thus, trust funds do not hold cash, they hold Treasury notes, which, if and when they are redeemed, must be redeemed by taking money from the general fund. Transfers between the general fund and trust funds are intragovernmental transfers that do not affect the budget. The budget is only affected when funds go into or out of the government; crediting one government fund and debiting another by an equal amount does not have a budget effect by itself. The current public debt is $5.645 billion. The public debt is capped by statute, but the debt held by the public is not capped.

Reconciliation instructions. Reconciliation instructions in a budget resolution direct authorizing committees to suggest changes to direct (mandatory) spending and revenues in order to meet the assumed revenue and spending levels. In this case, one reconciliation bill will be considered to provide tax relief totaling $138.2 billion through fiscal year 2004 and $766.0 billion through 2009 (see the tax reduction reserve fund below), and to reduce the debt limit for fiscal year (FY) 2000 to $5.865 trillion. After providing this tax relief, there will still be an estimated on-budget surplus of $101 billion.

Budget rules.

- a committee report and any accompanying statement of managers for legislation containing proposed emergency spending will have to provide a justification for why an emergency designation is required; certain criteria will have to be met for an emergency designation; a point of order will lie against a designation that does not meet the criteria; that point of order will be waivable by simple majority vote (as introduced, the resolution would have required a three-fifths majority (60) vote to waive the point of order); and
- the resolution contains a clarification that the current pay-as-you-go prohibition on increasing the deficit with new mandatory spending does not apply to proposals that decrease on-budget surpluses ("on-budget" refers to all Federal receipts minus all Federal expenditures, except for receipts and expenditures of Social Security and the Post Office).

Function priorities. In addition to overall totals, budget resolutions contain totals for broad function categories. They do not dictate the amounts to be spent on specific programs, but they are based on assumptions of spending levels. Those spending levels may be based in part on assumed changes to current law. Additionally, revenue assumptions may be made based upon assumed changes to current law. Key assumptions in this resolution include the following:

- defense spending will be increased over the Senate Budget Committee (SBC) baseline by $110.5 billion over 5 years and by $336.3 billion over 10 years;
- education spending will be increased over the SBC baseline by $47.4 billion over 10 years (the President requested a $21.2 billion increase);
- spending on the National Institutes of Health will increase by $600 million this year (twice the increase requested);
- the Violent Crime Reduction Trust Fund programs will be fully funded, and the President's proposed cuts in anti-drug programs will be rejected;
- spending increases will be provided for transportation, Medicare, and veterans' health care (see vote No. 63); and
- new mandatory spending will be provided for child care (see vote No. 74).

Reserve funds. If a budget resolution does not include changes in revenues or outlays for subsequent tax or spending legislation that presumably may be enacted, a mechanism called a "reserve fund" can be added to the resolution that will allow the Budget Committee Chairman to make adjustments to it after it has passed in order to accommodate such legislation, if necessary. Reserve funds have usually been included in budget resolutions either to approve the consideration later in the year of tax-and-spend proposals by Democrats or tax relief-spending cut proposals by Republicans. Without reserve funds, such proposals are subject to 60-vote points of order, even if they do not violate the "paygo" (deficit neutrality) requirement for tax and mandatory spending proposals. Tax cuts cannot be paid for with spending cuts, unless approved in a reserve fund, because such approval would trigger a 60-vote point of order against considering proposals that would lower projected revenues below the revenue floor set in the budget resolution. Similarly, new entitlement spending cannot be paid for with new taxes, unless approved in a reserve fund, because such approval would trigger a 60-vote point of order against entitlement spending in excess of the aggregate mandatory outlay ceiling set in the budget resolution. Reserve funds allow the floor and the ceiling to be changed, respectively, and thus avoid the points of order.

This budget resolution contains several reserve funds:

- a 5-year, $6-billion reserve fund for agricultural assistance, though that assistance may not cause an on-budget deficit;
- a tax reduction reserve fund; priority will be given to providing tax relief: for working families, including families in which one spouse stays out of the work force in order to care for young children; for providing long-term health care; for easing the tax code's marriage penalty; for extending expiring tax credits; for helping small businesses; and for accelerating the increase in the deductibility of health insurance premiums for the self-employed;
- a deficit-neutral reserve fund to allow proceeds from Outer Continental Shelf leasing and production to fund historic preservation, recreation, and land, water, fish, and wildlife conservation efforts;

- a reserve fund for providing Medicare prescription drug benefits, provided that Medicare is reformed to significantly extend its solvency without subsidies from the general fund, and provided that giving the benefits does not create an on-budget deficit; and
- a deficit neutral reserve fund for employment programs for individuals with disabilities.

Sense-of-Senate and Sense of the Congress statements include the following:

- the tax relief provided should include parity between the self-employed and corporations with respect to the tax treatment of health insurance premiums;
- the tax relief should be structured to benefit working families, including by stimulating savings, investment, and job creatio n;
- the Department of Defense will give priority to sufficiently funding the Guard and Reserves;
- funds will not be provided to put the Kyoto Protocol into effect prior to Senate ratification;
- increased funding for tribal colleges will be a priority;
- Congress will reject any budget that proposes to spend any portion of the Social Security surpluses on any program other than Social Security;
- funding will be increased for various Federal higher education programs;
- Congress will pass legislation creating a Social Security lockbox that will prevent Social Security funds from being used for any purposes other than to pay for Social Security benefits, pay for Social Security reforms, or saved for Social Security by reducing the debt held by the public (see vote No. 58);
- the Federal Government will not directly invest Social Security funds in private financial markets (see vote No. 60);
- the President's proposal to change the distribution of transportation funds will be rejected;
- any consideration of Federal crop insurance and risk management reform should include a consideration of the needs of livestock producers;
- Congress will not adopt the President's proposed cuts in Medicare, nor will it transfer new IOUs to Medicare's trust fund that will have to be redeemed later by raising taxes, cutting spending, or borrowing more money from the public; Congress should work in a bipartisan fashion to reform Medicare following certain principles, and building on the work of the National Bipartisan Commission on the Future of Medicare (see vote No. 65);
- additional funding will be authorized for the Farmland Protection Program (see vote No. 68);
- Congress should expeditiously consider comprehensive proposals to reform the Internal Revenue Service Code;
- the Individuals with Disabilities Act should be fully funded at the promised level of 40 percent of program costs before any funds are appropriated for new education programs;
- the Work Incentives Improvement Act (to help people with disabilities gain employment with health care coverage) will be authorized;
- agricultural commodities and medical supplies should be exempt from unilateral sanctions, with exceptions;
- a task force should be created to study the possibility of creating a natural disaster reserve fund;
- marriage penalty relief should treat all married couples equally, regardless of which spouse earns the income;
- any funds recovered from Federal tobacco-related litigation should be used, first, for strengthening the Medicare Hospital (Part A) trust fund and, second, for funding a Medicare prescription drug benefit; and
- funding for counter-narcotics activities should be higher than proposed by the President, and should allow for investments in programs authorized in the Western Hemisphere Drug Elimination Act and in the proposed Drug Free Century Act.

NOTE: Immediately prior to final passage, the Senate struck all after the enacting clause and inserted in lieu thereof the text of S.Con. Res. 20, as amended.

Those favoring final passage contended:

We are very pleased with this budget resolution for a number of reasons. First, and foremost, it will protect the projected $1.8 trillion in Social Security surpluses that are going to be generated over the next 10 years by using those surpluses to pay down the debt held by the public. The budget is premised on the assumption that later this year a binding cap will be placed on the debt held by the public, and every Senator, during the consideration of this resolution, has gone on record as supporting the creation of such a binding cap. In other words, the Senate is not going to accept a gimmick solution--the surpluses are going to be saved. Second, we are pleased at the Medicare amendments that have been adopted. The Senate has committed itself to trying to work out a bipartisan solution this year to Medicare's approaching insolvency and to improve the services and benefits offered. Third, we are very pleased that the dozens of amendments that were offered by Senators to spend away the non-Social Security surplus were either defeated or withdrawn. Americans are being taxed at the highest rate in history. They need and deserve tax relief. We are collecting more in taxes than we can spend under the caps or the bipartisan budget agreement passed just 2 years ago. We should give that money back to the American people in tax relief instead of breaking our word, and the spending caps, by going on another spending spree. The Federal Government already spends more than $1.7 trillion a year. We submit that is sufficient. If we did not give the projected surpluses back to the American people, they would almost certainly end up being spent. That fact is shown by the dozens of amendments that were offered on this resolution to take away the tax relief and spend the money. Fourth, we are very pleased with the priorities, within budget, that are set in this resolution. Especially noteworthy are the large increases for defense and education. Some of our colleagues think that it is unrealistic for us to have proposed a budget that, in a time of large surpluses, gives tax relief instead of going on a new spending spree in violation of the budget agreement and spending caps. We do not think it is unrealistic; we just think it shows that we have different priorities. We think that our priorities reflect the wishes of most Americans. We strongly support passage of this budget resolution.

Those opposing final passage contended:

This resolution should be defeated for 4 reasons. First, it does not extend the solvency of the Social Security trust fund. We commend our colleagues for proposing using all of Social Security's surpluses to reduce the debt held by the public, but the need for reform was ignored. Also, unlike in the President's proposed budget, additional Treasury notes will not be given to Social Security to extend its solvency. Second, it does not give additional resources to Medicare, as proposed by the President. We think that adding Treasury notes to Medicare would have greatly extended its solvency. Instead of helping Medicare, this resolution will use most of the non-Social Security surpluses to give tax breaks to the wealthy. Third, it proposes large and dangerous cuts in many social programs. The President will never agree to make those cuts. The result will be that at the end of this year we will have another fiscal train wreck as we hammer out a massive omnibus appropriations bill. Fourth, it proposes large tax cuts that are politically popular and will probably therefore be enacted. If the economy has a downturn, those tax cuts will still be in effect. The end result of this budget is that spending will go up, taxes will go down, and the projected surpluses will be squandered. We will start running large annual deficits again. This budget sets us on a dangerous path. We urge its rejection.